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FOR NEA/ARP, PM/DTCC - BLUE LANTERN COORDINATOR

E.O. 12958: N/A TAGS: <u>ETTC KOMC MU</u>

SUBJECT: BLUE LANTERN RESPONSE FOR APPLICATION 050016241

REF: STATE 176680

- 11. (U) Per reftel, the Political/Economic section, in conjunction with the Office of Military Cooperation, conducted a pre-license check on Muscat-based General Stores Trading, LLC. On October 29, Econoff met with Mohamed al-Zaabi, the company's managing director. Zaabi, educated at San Diego State University, confirmed that the company would be supplying the Royal Army of Oman with 3 shafts, 2 switches, and 2 fan drive clutches for their M-60 tank fleet. These items are to be purchased from International Parts Supply Company, based in Minneapolis. He stated that the company was a family business started by his father over 30 years ago. It currently has two partners, Mohamed and his younger brother Ali, after his father and other brother, Sadiq, passed away. The company has 25 employees. Aside from its main headquarters and warehouse in the Wadi al-Kabir commercial district of Muscat, General Stores Trading has a branch office in Salalah.
- 12. (U) The company's main customers include the Ministry of Defense, Ministry of Health, Ministry of Education, Sultan's Special Forces, Royal Flight, and the Diwan. It supplies these government agencies with a wide range of products, including sleeping bags, tents, flags, badges, blankets, caps, shoes, and vehicle spare parts for Land Rovers. The company does not keep defense-related items in stock, but does keep small quantities of vehicle parts on-hand. All stock is electronically tracked. Zaabi is pleased in establishing this relationship as a supplier of spares for the M-60, and noted with pride the recognition his company received from the U.S. Army for its participation in a 2001 humanitarian demining course, sponsored by the Sultan's Special Forces. He understood the importance of safeguarding sensitive supplies, and requested a copy of USML regulations.
- 13. (U) The Ministry of Defense confirmed its relationship with General Stores Trading. The Royal Army's Director General for Logistics and Quartering, Habib al-Baluchi, noted in a November 11 correspondence to the Office of Military Cooperation that the company was a wholly-owned Omani company based in Muscat, that the organization had made the purchase order for the parts listed in paragraph 1, and that the company was registered with the Ministry of Defense, with a history of providing a range of items, including clothing, shoes, bedding, tents, and spare parts for its vehicle fleet. GRAPPO